



FEDERAL TRADE COMMISSION

Agency Information Collection Activities; Proposed Collection; Comment Request;

Extension

AGENCY: Federal Trade Commission.

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995 (“PRA”), the Federal Trade Commission (“FTC” or “Commission”) is seeking public comment on its proposal to extend for an additional three years the Office of Management and Budget clearances for information collection requirements in Regulations B, E, M, and Z, which are enforced by the Commission. These clearances expire on September 30, 2021.

DATES: Comments must be filed by [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

ADDRESSES: Interested parties may file a comment online or on paper, by following the instructions in the Request for Comment part of the SUPPLEMENTARY INFORMATION section below. Write “Regs BEMZ, PRA Comments, P084812” on your comment and file your comment online at <https://www.regulations.gov>, by following the instructions on the web-based form. If you prefer to file your comment on paper, mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue, NW, Suite CC-5610 (Annex J), Washington, DC 20580, or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary, Constitution Center, 400 7th Street, SW, 5th Floor, Suite 5610 (Annex J), Washington, DC 20024.

FOR FURTHER INFORMATION CONTACT: Carole Reynolds or Stephanie Rosenthal, Attorneys, Division of Financial Practices, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Ave., NW, Washington, DC 20580, (202) 326-3224.

SUPPLEMENTARY INFORMATION:

The four regulations covered by this notice are:

(1) Regulations promulgated under the Equal Credit Opportunity Act, 15 U.S.C. 1691 et seq. (“ECOA”) (“Regulation B”) (OMB Control Number: 3084-0087);

(2) Regulations promulgated under the Electronic Fund Transfer Act, 15 U.S.C. 1693 et seq. (“EFTA”) (“Regulation E”) (OMB Control Number: 3084-0085);

(3) Regulations promulgated under the Consumer Leasing Act, 15 U.S.C. 1667 et seq. (“CLA”) (“Regulation M”) (OMB Control Number: 3084-0086); and

(4) Regulations promulgated under the Truth-In-Lending Act, 15 U.S.C. 1601 et seq. (“TILA”) (“Regulation Z”) (OMB Control Number: 3084-0088).

Type of Review: Extension without change of currently approved collection.

Affected Public: Private Sector: Businesses and other for-profit entities.

Discussion:

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”), Pub. L. 111–203, 124 Stat. 1376 (2010), almost all rulemaking authority for the ECOA, EFTA, CLA, and TILA transferred from the Board of Governors of the Federal Reserve System (Board) to the Consumer Financial Protection Bureau (CFPB) on July 21, 2011 (“transfer date”). To implement this transferred authority, the CFPB published new regulations in 12 CFR Part 1002 (Regulation B), 12 CFR Part 1005 (Regulation E), 12 CFR Part 1013 (Regulation M), and 12 CFR Part 1026 (Regulation Z) for those entities under its rulemaking jurisdiction.¹ Although the Dodd-Frank Act transferred most rulemaking authority under ECOA, EFTA, CLA, and TILA to the CFPB, the Board retained rulemaking authority for certain motor vehicle dealers² under all

¹ 12 CFR pt. 1002 (Reg. B) (81 FR 25323, Apr. 28, 2016); 12 CFR pt. 1005 (Reg. E) (81 FR 25323, Apr. 28, 2016); 12 CFR pt. 1013 (Reg. M) (81 FR 25323, Apr. 28, 2016); 12 CFR pt. 1026 (Reg. Z) (81 FR 25323, Apr. 28, 2016).

² Generally, these are dealers “predominantly engaged in the sale and servicing of motor vehicles, the leasing and servicing of motor vehicles, or both.” *See* Dodd-Frank Act, § 1029, 12 U.S.C. § 5519(a), (c).

of these statutes and also for certain interchange-related requirements under EFTA.³

As a result of the Dodd-Frank Act, the FTC and the CFPB generally share the authority to enforce Regulations B, E, M, and Z for entities for which the FTC had enforcement authority before the Act, except for certain motor vehicle dealers.⁴ Because of this shared enforcement jurisdiction, the two agencies have divided the FTC's previously-cleared PRA burden estimates between them,⁵ except that the FTC has assumed all of the burden estimates associated with motor vehicle dealers⁶ and state-chartered credit unions. The division of PRA burden hours not attributable to motor vehicle dealers and state-chartered credit unions is reflected in the CFPB's PRA clearance requests to OMB, as well as in the FTC's burden estimates below.

³ See Dodd-Frank Act, § 1075, 15 U.S.C. § 1693 (these requirements are implemented through Board Regulation II, 12 CFR pt. 235, rather than EFTA's implementing Regulation E).

⁴ The FTC's enforcement authority includes state-chartered credit unions; other federal agencies also have various enforcement authority over credit unions. For example, for large credit unions (exceeding \$10 billion in assets), the CFPB has certain authority. The National Credit Union Administration also has certain authority for state-chartered federally insured credit unions, and it additionally provides insurance for certain state-chartered credit unions through the National Credit Union Share Insurance Fund and examines credit unions for various purposes. There are approximately three state-chartered credit unions exceeding \$10 billion in assets, and the CFPB assumes PRA burden for those entities. As of the fourth quarter of 2020, there were approximately 2,126 state-chartered credit unions – 1,914 which were federally insured, an estimated 112 or more which were privately insured, and an estimated 100 or more in Puerto Rico which were insured by a quasi-governmental entity. Because of the difficulty in parsing out PRA burden for such entities in view of the overlapping authority, the FTC's figures include PRA burden for all state-chartered credit unions. However, in view of fluctuations due to COVID-19 and to avoid undercounting, we have retained the prior estimate of 2,300 state-chartered credit unions. As noted above, the CFPB's figures as to state-chartered credit unions include burden for those entities exceeding \$10 billion in assets. See generally Dodd-Frank Act, §§ 1061, 1025, 1026. This attribution does not change actual enforcement authority. We also have retained the prior burden hours generally in the estimates below, in view of these considerations.

⁵ The CFPB also factors into its burden estimates respondents over which it has jurisdiction but the FTC does not.

⁶ See Dodd-Frank Act § 1029, 12 U.S.C. § 5519(a), as limited by subsection (b) as to motor vehicle dealers. Subsection (b) does not preclude CFPB regulatory oversight regarding, among others, businesses that extend retail credit or retail leases for motor vehicles in which the credit or lease offered is provided directly from those businesses, rather than unaffiliated third parties, to consumers. It is not practicable, however, for PRA purposes, to estimate the portion of dealers that engage in one form of financing versus another (and that would or would not be subject to CFPB oversight). Thus, FTC staff's PRA burden analysis reflects a general estimated volume of motor vehicle dealers. This attribution does not change actual enforcement authority.

Pursuant to the Dodd-Frank Act, the FTC generally has sole authority to enforce Regulations B, E, M, and Z regarding certain motor vehicle dealers predominantly engaged in the sale and servicing of motor vehicles, the leasing and servicing of motor vehicles, or both, that, among other things, assign their contracts to unaffiliated third parties.⁷ Because the FTC has exclusive jurisdiction to enforce these rules for such motor vehicle dealers and retains its concurrent authority with the CFPB for other types of motor vehicle dealers, and in view of the different types of motor vehicle dealers, the FTC retains the entire PRA burden for motor vehicle dealers in the burden estimates below.

The regulations impose certain recordkeeping and disclosure requirements associated with providing credit or with other financial transactions. Under the PRA, 44 U.S.C. 3501-3521, Federal agencies must get OMB approval for each collection of information they conduct or sponsor. “Collection of information” includes agency requests or requirements to submit reports, keep records, or provide information to a third party. *See* 44 U.S.C. 3502(3); 5 CFR 1320.3(c).

All four of these regulations require covered entities to keep certain records, but FTC staff believes these records are kept in the normal course of business even absent the particular recordkeeping requirements.⁸ Covered entities, however, may incur some burden associated with ensuring that they do not prematurely dispose of relevant records (i.e., during the time span they must retain records under the applicable regulation).

The regulations also require covered entities to make disclosures to third parties. Related compliance involves set-up/monitoring and transaction-specific costs. “Set-up” burden, incurred only by covered new entrants, includes identifying the applicable required disclosures, determining how best to comply, and designing and developing compliance systems and procedures. “Monitoring” burden, incurred by all covered entities, includes their time and costs

⁷ *See* Dodd-Frank Act § 1029, 12 U.S.C. 5519(a), (c).

⁸ PRA “burden” does not include “time, effort, and financial resources” expended in the normal course of business, regardless of any regulatory requirement. *See* 5 CFR 1320.3(b)(2).

to review changes to regulatory requirements, make necessary revisions to compliance systems and procedures, and to monitor the ongoing operation of systems and procedures to ensure continued compliance. “Transaction-related” burden refers to the time and cost associated with providing the various required disclosures in individual transactions, thus, generally, of much lesser magnitude than “setup” and “monitoring” burden. The FTC’s estimates of transaction time and volume are intended as averages. The population of affected motor vehicle dealers is one component of a much larger universe of such entities.

The required disclosures do not impose PRA burden on some covered entities because they make those disclosures in the normal course of business. For other covered entities that do not, their compliance burden will vary depending on the extent to which they have developed effective computer-based or electronic systems and procedures to communicate and document required disclosures.⁹

The respondents included in the following burden calculations consist of, among others, credit and lease advertisers, creditors, owners (such as purchasers and assignees) of credit obligations, financial institutions, service providers, certain government agencies and others involved in delivering electronic fund transfers (“EFTs”) of government benefits, and lessors.¹⁰ The burden estimates represent FTC staff’s best assessment, based on its knowledge and expertise relating to the financial services industry, of the average time to complete the aforementioned tasks associated with recordkeeping and disclosure. Staff considered the wide variations in covered entities’ (1) size and location; (2) credit or lease products offered, extended,

⁹ For example, large companies may use computer-based and/or electronic means to provide required disclosures, including issuing some disclosures en masse, e.g., notice of changes in terms. Smaller companies may have less automated compliance systems but may nonetheless rely on electronic mechanisms for disclosures and recordkeeping. Regardless of size, some entities may utilize compliance systems that are fully integrated into their general business operational system; if so, they may have minimal additional burden. Other entities may have incorporated fewer of these approaches into their systems and thus may have a higher burden.

¹⁰ The Commission generally does not have jurisdiction over banks, thrifts, and federal credit unions under the applicable regulations.

or advertised, and their particular terms; (3) EFT types used; (4) types and frequency of adverse actions taken; (5) types of appraisal reports utilized; and (6) computer systems and electronic features of compliance operations.

The cost estimates that follow relate solely to labor costs, and they include the time necessary to train employees how to comply with the regulations. Staff calculated labor costs by multiplying appropriate hourly wages by the burden hours described above. The hourly wages used were \$60 for managerial oversight, \$44 for skilled technical services, and \$18 for clerical work. These figures are averages drawn from Bureau of Labor Statistics data.¹¹ Further, these cost estimates assume the following labor category apportionments, except where otherwise indicated below: recordkeeping – 10% skilled technical, 90% clerical; disclosure – 10% managerial, 90% skilled technical.

The applicable PRA requirements impose minimal capital or other non-labor costs. Affected entities generally already have the necessary equipment for other business purposes. Similarly, FTC staff estimates that compliance with these rules entails minimal printing and copying costs beyond that associated with documenting financial transactions in the normal course of business.

The following discussion and tables present estimates under the PRA of recordkeeping and disclosure average time and labor costs, excluding that which FTC staff believes entities incur customarily in the normal course of business and information compiled and produced in response to FTC law enforcement investigations or prosecutions.¹²

1. Regulation B

¹¹ These inputs are based broadly on mean hourly data found within the “Bureau of Labor Statistics, Economic News Release,” March 31, 2021, Table 1, “National employment and wage data from the Occupational Employment and Wage Statistics survey by occupation, May 2020.” <http://www.bls.gov/news.release/ocwage.t01.htm>.

¹² See 5 CFR 1320.4(a) (excluding information collected in response to, among other things, a federal civil action or “during the conduct of an administrative action, investigation, or audit involving an agency against specific individuals or entities”).

The ECOA prohibits discrimination in the extension of credit. Regulation B implements the ECOA, establishing disclosure requirements to assist customers in understanding their rights under the ECOA and recordkeeping requirements to assist agencies in enforcement. Regulation B applies to retailers, mortgage lenders, mortgage brokers, finance companies, and others.

FTC staff estimates that Regulation B's general recordkeeping requirements affect 530,762 credit firms subject to the Commission's jurisdiction, at an average annual burden of 1.25 hours per firm for a total of 663,453 hours. Staff also estimates that the requirement that mortgage creditors monitor information about race/national origin, sex, age, and marital status imposes a maximum burden of one minute each (of skilled technical time) for approximately 2.6 million credit applications (based on industry data regarding the approximate number of mortgage purchase and refinance originations), for a total of 43,333 hours.¹³ Staff also estimates that recordkeeping of self-testing subject to the regulation would affect 1,500 firms, with an average annual burden of one hour (of skilled technical time) per firm, for a total of 1,500 hours, and that recordkeeping of any corrective action as a result of self-testing would affect 10% of them, i.e., 150 firms, with an average annual burden of four hours (of skilled technical time) per firm, for a total of 600 hours.¹⁴ This yields a total annual recordkeeping burden of 708,886 hours.

Regulation B requires that creditors (i.e., entities that regularly participate in the decision whether to extend credit under Regulation B) provide notices whenever they take adverse action, such as denial of a credit application. It requires entities that extend mortgage credit with first

¹³ Regulation B contains model forms that creditors may use to gather and retain the required information.

¹⁴ In contrast to banks, for example, entities under FTC jurisdiction are not subject to audits by the FTC for compliance with Regulation B; rather they may be subject to FTC investigations and enforcement actions. This may impact the level of self-testing (as specifically defined by Regulation B) in a given year, and staff has sought to address such factors in its burden estimates.

liens to provide a copy of the appraisal report or other written valuation to applicants.¹⁵ Finally, Regulation B also requires that for accounts that spouses may use or for which they are contractually liable, creditors who report credit history must do so in a manner reflecting both spouses' participation. Further, it requires creditors that collect applicant characteristics for purposes of conducting a self-test to disclose to those applicants that: (1) providing the information is optional; (2) the creditor will not take the information into account in any aspect of the credit transactions; and (3) if applicable, the information will be noted by visual observation or surname if the applicant chooses not to provide it.¹⁶ Burden estimates relating to the disclosures required under Regulation B and labor cost estimates are provided in the tables below.

Burden Totals

Recordkeeping: 708,886 hours; \$15,666,176, associated labor costs

Disclosures: 1,088,912 hours; \$49,654,400, associated labor costs

Regulation B: Disclosures – Burden Hours

Disclosures	Respondents	-----Setup/Monitoring ¹ -----		Number of Transactions	-----Transaction-related-----		
		Average Burden per Respondent (hours)	Total Setup/Monitoring Burden (hours)		Average Burden per Transaction (minutes)	Total Transaction Burden (hours)	Total Burden (hours)
Credit history reporting	133,553	.25	33,388	60,098,850	.25	250,412	283,800
Adverse action notices	530,762	.75	398,072	92,883,350	.25	387,014	785,086
Appraisal reports/written valuations	4,650	1	4,650	1,725,150	.50	14,376	19,026
Self-test disclosures	1,500	.5	750	60,000	.25	250	1,000
Total							1,088,912

¹ The estimates assume that all applicable entities would be affected, with respect to appraisal reports and other written valuations.

Regulation B: Recordkeeping and Disclosures – Cost

Required Task	-----Managerial-----		-----Skilled Technical-----		-----Clerical-----		Total Cost (\$)
	Time (hours)	Cost (\$60/hr.)	Time (hours)	Cost (\$44/hr.)	Time (hours)	Cost (\$18/hr.)	
General recordkeeping	0	\$0	66,345	\$2,919,180	597,108	\$10,747,944	\$13,667,124
Other recordkeeping	0	\$0	43,333	\$1,906,652	0	\$0	\$1,906,652

¹⁵ While the rule also requires the creditor to provide a short written disclosure regarding the appraisal process, the disclosure is provided by the CFPB, and is thus not a “collection of information” for PRA purposes. Accordingly, it is not included in burden estimates below.

¹⁶ The disclosure may be provided orally or in writing. The model form provided by Regulation B assists creditors in providing the written disclosure.

Recordkeeping of self-test	0	\$0	1,500	\$66,000	0	\$0	\$66,000
Recordkeeping of corrective action	0	\$0	600	\$26,400	0	\$0	\$26,400
Total Recordkeeping							\$15,666,176
Disclosures:							
Credit history reporting	28,380	\$1,702,800	255,420	\$11,238,480	0	\$0	\$12,941,280
Adverse action notices	78,509	\$4,710,540	706,577	\$31,089,388	0	\$0	\$35,799,928
Appraisal reports	1,903	\$114,180	17,123	\$753,412	0	\$0	\$867,592
Self-test disclosure	100	\$6,0000	900	\$39,600	0	\$0	\$45,600
Total Disclosures							\$49,654,400
Total Recordkeeping and Disclosures							\$65,320,576

2. Regulation E

The EFTA requires that covered entities provide consumers with accurate disclosure of the costs, terms, and rights relating to EFT and certain other services. Regulation E implements the EFTA, establishing disclosure and other requirements to aid consumers and recordkeeping requirements to assist agencies with enforcement. It applies to financial institutions, retailers, gift card issuers and others that provide gift cards, service providers, various federal and state agencies offering EFTs, prepaid account entities, etc. Staff estimates that Regulation E's recordkeeping requirements affect 251,053 firms offering EFT and certain other services to consumers and that are subject to the Commission's jurisdiction, at an average annual burden of one hour per firm, for a total of 251,053 hours. Burden estimates relating to the disclosures required under Regulation E and labor cost estimates are provided in the tables below.

Burden Totals

Recordkeeping: 251,053 hours; \$5,171,684, associated labor costs

Disclosures: 7,184,903 hours; \$327,631,676, associated labor costs

Regulation E: Disclosures – Burden Hours

Disclosures	Respondents	Setup/Monitoring		Number of Transactions	Transaction-related		
		Average Burden per Respondent (hours)	Total Setup/Monitoring Burden (hours)		Average Burden per Transaction (minutes)	Total Transaction Burden (hours)	Total Burden (hours)
Initial terms	27,300	.5	13,650	273,000	.02	91	13,741
Change in terms	8,550	.5	4,275	11,286,000	.02	3,762	8,037
Periodic statements	27,300	.5	13,650	327,600,000	.02	109,200	122,850
Error resolution	27,300	.5	13,650	273,000	.5	22,750	36,400
Transaction receipts	27,300	.5	13,650	1,375,000,000	.02	458,333	471,983
Preauthorized transfers	258,553	.5	129,277	6,463,825	.25	26,933	156,210
Service provider notices	20,000	.25	5,000	200,000	.25	833	5,833
ATM notices	125	.25	31	25,000,000	.25	104,167	104,198

Electronic check conversion	48,553	.5	24,277	728,295	.02	243	24,520
Overdraft services	15,000	.5	7,500	1,500,000	.02	500	8,000
Gift cards	15,000	.5	7,500	750,000,000	.02	250,000	257,500
Remittance transfers							
Disclosures	4,800	1.25	6,000	96,000,000	.9	1,440,000	1,446,000
Error resolution	4,800	1.25	6,000	120,960,000	.9	1,814,400	1,820,400
Agent compliance	4,800	1.25	6,000	96,000,000	.9	1,440,000	1,446,000
Prepaid accounts and gov't benefits							
Disclosures	550	40x10 ¹	220,000	2,750,000,000	.02	916,667	1,136,667
Disclosures - updates	138	1x10	1,380 ²	N/A			1,380
Access to account information	550	20x10 ³	110,000	1,100,000	.01	183	110,183
Error resolution	300	4x4	4,800	275,000	2	9,167	13,967
Error resolution – followup ⁴		N/A		1,380	30	690	690
Submission of agreements	138	2x1	276	690	1	11	287
Updates to agreements ⁵		N/A		690	5	57	57
Total							7,184,903

¹ Burden hours are on a per program basis. Individual burden hours are listed first, followed by the number of programs.

² Individual burden hours are listed first, followed by the number of programs.

³ Burden hours are on a per program basis; individual burden hours are listed first, followed by the number of programs.

⁴ This pertains to prepaid accounts.

⁵ This pertains to prepaid accounts' agreements.

Regulation E: Recordkeeping and Disclosures – Cost

Required Task	-----Managerial-----		-----Skilled Technical-----		-----Clerical-----		Total
	Time (hours)	Cost (\$60/hr.)	Time (hours)	Cost (\$44/hr.)	Time (hours)	Cost (\$18/hr.)	
Recordkeeping	0	\$0	25,105	\$1,104,620	225,948	\$4,067,064	\$5,171,684
Disclosures:							
Initial terms	1,374	\$82,440	12,367	\$544,148	0	\$0	\$626,588
Change in terms	804	\$48,240	7,233	\$318,252	0	\$0	\$366,492
Periodic statements	12,285	\$737,100	110,565	\$4,864,860	0	\$0	\$5,601,960
Error resolution	3,640	\$218,400	32,760	\$1,441,440	0	\$0	\$1,659,840
Transaction receipts	47,198	\$2,831,880	424,785	\$18,690,540	0	\$0	\$21,522,420
Preauthorized transfers	15,621	\$937,260	140,589	\$6,185,916	0	\$0	\$7,123,176
Service provider notices	583	\$34,980	5,250	\$231,000	0	\$0	\$265,980
ATM notices	10,420	\$625,200	93,778	\$4,126,232	0	\$0	\$4,751,432
Electronic check conversion	2,452	\$147,120	22,068	\$970,992	0	\$0	\$1,118,112
Overdraft services	800	\$48,000	7,200	\$316,800	0	\$0	\$364,800
Gift cards	25,750	\$1,545,000	231,750	\$10,197,000	0	\$0	\$11,742,000
Remittance transfers							
Disclosures	144,600	\$8,676,000	1,301,400	\$57,261,600	0	\$0	\$65,937,600
Error resolution	182,040	\$10,922,400	1,638,360	\$72,087,840	0	\$0	\$83,010,240
Agent compliance	144,600	\$8,676,000	1,301,400	\$57,261,600	0	\$0	\$65,937,600
Prepaid accounts and gov't. benefits							
Disclosures	113,667	\$6,820,020	1,023,000	\$45,012,000	0	\$0	\$51,832,020
Disclosures - updates	138	\$8,280	1,242	\$54,648	0	\$0	\$62,928
Access to account information	11,018	\$661,080	99,165	\$4,363,260	0	\$0	\$5,024,340
Error resolution	1,397	\$83,820	12,570	\$553,080	0	\$0	\$636,900
Error resolution – followup	69	\$4,140	621	\$27,324	0	\$0	\$31,464
Submission of agreements	29	\$1,740	259	\$11,396	0	\$0	\$13,136
Updates to agreements	6	\$360	52	\$2,288	0	\$0	\$2,648
Total Disclosures							\$327,631,676
Total Recordkeeping and Disclosures							\$332,803,360

3. Regulation M

The CLA requires that covered entities provide consumers with accurate disclosure of the costs and terms of leases. Regulation M implements the CLA, establishing disclosure requirements to help consumers comparison shop and understand the terms of leases and recordkeeping requirements. It applies to vehicle lessors (such as auto dealers, independent

leasing companies, and manufacturers' captive finance companies), computer lessors (such as computer dealers and other retailers), furniture lessors, various electronic commerce lessors, diverse types of lease advertisers, and others. Staff estimates that Regulation M's recordkeeping requirements affect approximately 30,203 firms within the FTC's jurisdiction leasing products to consumers at an average annual burden of one hour per firm, for a total of 30,203 hours. Burden estimates relating to the disclosures required under Regulation M and labor cost estimates are provided in the tables below.

Burden Totals¹⁷

Recordkeeping: 30,203 hours; \$1,763,860, associated labor costs

Disclosures: 71,750 hours; \$4,190,200, associated labor costs

Regulation M: Disclosures – Burden Hours

Disclosures	Respondents	----- Setup/Monitoring -----		Number of Transactions	----- Transaction-related -----		
		Average Burden per Respondent (hours)	Total Setup/Monitoring Burden (hours)		Average Burden per Transaction (minutes)	Total Transaction Burden (hours)	Total Burden (hours)
Motor Vehicle Leases ¹	26,690	1	26,690	4,000,000	.50	33,333	60,023
Other Leases ²	3,513	.50	1,757	60,000	.25	250	2,007
Advertising	14,615	.50	7,308	578,960	.25	2,412	9,720
Total							71,750

¹ This category focuses on consumer vehicle leases. Vehicle leases are subject to more lease disclosure requirements (pertaining to computation of payment obligations) than other lease transactions. (Only consumer leases for more than four months are covered.) See 15 U.S.C. § 1667(1); 12 CFR § 1013.2(e)(1). CLA and Regulation M now cover leases up to \$58,300 plus an annual adjustment.

² This category focuses on all types of consumer leases other than vehicle leases. It includes leases for computers, other electronics, small appliances, furniture, and other transactions. (Only consumer leases for more than four months are covered.) See 15 U.S.C. § 1667(1); 12 CFR § 1013.2(e)(1). CLA and Regulation M now cover leases up to \$58,300 plus an annual adjustment.

Regulation M: Recordkeeping and Disclosures – Cost

Required Task	-----Managerial-----		-----Skilled Technical-----		-----Clerical-----		Total
	Time (hours)	Cost (\$60/hr.)	Time (hours)	Cost (\$44/hr.)	Time (hours)	Cost (\$18/hr.)	Cost (\$)
Recordkeeping	27,183	\$1,630,980	3,020	\$132,880	0	0	\$1,763,860

¹⁷ Recordkeeping and disclosure burden estimates for Regulation M are more substantial for motor vehicle leases than for other leases, including burden estimates based on market changes and regulatory definitions of coverage. Based on industry information, the estimates for recordkeeping and disclosure costs assume the following: 90% managerial, and 10% skilled technical. As noted above, for purposes of PRA burden calculations for Regulations B, E, M, and Z, and given the different types of motor vehicle dealers, the FTC is including in its estimates burden for all of them.

Disclosures:

Motor Vehicle Leases	54,021	\$3,241,260	6,002	\$264,088	0	0	\$3,505,348
Other Leases	1,806	\$108,360	201	\$8,844	0	0	\$117,204
Advertising	8,748	\$524,880	972	\$42,768	0	0	\$567,648
Total Disclosures							\$4,190,200

Total Recordkeeping and Disclosures							\$5,954,060
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4. Regulation Z

The TILA was enacted to foster comparison credit shopping and informed credit decisionmaking by requiring creditors and others to provide accurate disclosures regarding the costs and terms of credit to consumers. Regulation Z implements the TILA, establishing disclosure requirements to assist consumers and recordkeeping requirements to assist agencies with enforcement. These requirements pertain to open-end and closed-end credit and apply to various types of entities, including mortgage companies; finance companies; auto dealerships; private education loan companies; merchants who extend credit for goods or services; credit advertisers; acquirers of mortgages; and others. Additional requirements also exist in the mortgage area, including for high cost mortgages, higher-priced mortgage loans,¹⁸ ability to pay of mortgage consumers, mortgage servicing, loan originators, and certain integrated mortgage disclosures. FTC staff estimates that Regulation Z's recordkeeping requirements affect approximately 430,762 entities subject to the Commission's jurisdiction, at an average annual burden of 1.25 hours per entity with .25 additional hours per entity for 3,650 entities (ability to pay), and 5 additional hours per entity for 4,500 entities (loan originators). This yields a total annual recordkeeping burden of 561,866 hours. Burden estimates relating to the disclosures required under Regulation Z and labor cost estimates are provided in the tables below.

Burden Totals

Recordkeeping: 561,866 hours; \$11,574,450, associated labor costs

¹⁸ While Regulation Z also requires the creditor to provide a short written disclosure regarding the appraisal process for higher-priced mortgage loans, the disclosure is provided by the CFPB. As a result, it is not a "collection of information" for PRA purposes (*see* 5 CFR 1320.3(c)(2)). It is thus excluded from the burden estimates below.

Disclosures: 7,854,575 hours; \$358,169,628, associated labor costs

Regulation Z: Disclosures – Burden Hours

Disclosures ¹	Respondents	----- Setup/Monitoring -----		Number of Transactions	----- Transaction-related -----		
		Average Burden per Respondent (hours)	Total Setup/Monitoring Burden (hours)		Average Burden per Transaction (minutes)	Total Transaction Burden (hours)	Total Burden (hours)
Open-end credit:							
Initial terms	23,650	.75	17,738	10,500,600	.375	65,629	83,367
Initial terms – prepaid accounts	3	4x1 ²	12	3x78,667 ³	.125	492	504
Rescission notices	750	.5	375	3,750	.25	16	391
Subsequent disclosures	4,650	.75	3,488	23,250,000	.188	72,850	76,338
Subsequent disclosures – prepaid accounts	3	4x1 ⁴	12	3x78,667 ⁵	.0625	246	258
Periodic statements	23,650	.75	17,738	788,325,450	.0938	1,232,415	1,250,153
Periodic statements – prepaid accounts	3	40x1 ⁶	120	3x944,000 ⁷	.03125	1,475	1,595
Error resolution	23,650	.75	17,738	2,104,850	6	210,485	228,223
Error resolution – prepaid accounts	3	4x1 ⁸	12	3x1,180 ⁹	15	885	897
Credit and charge card accounts	10,250	.75	7,688	5,125,000	.375	32,031	39,719
Credit and charge card accounts – prepaid accounts	3	4x1 ¹⁰	12	3x12 ¹¹	240	144	156
Settlement of estate debts	23,650	.75	17,738	496,650	.375	3,104	20,842
Special credit card requirements	10,250	.75	7,688	5,125,000	.375	32,031	39,719
Home equity lines of credit	750	.5	375	5,250	.25	22	397
Home equity lines of credit high-cost mortgages	250	2	500	1,500	2	50	550
College student credit card marketing – ed. institutions	1,350	.5	675	81,000	.25	338	1,013
College student credit card marketing – card issuer reports	150	.75	113	4,500	.75	56	169
Posting and reporting of credit card agreements	10,250	.75	7,688	5,125,000	.375	32,031	39,719
Posting and reporting of prepaid account agreements	3	.75x1 ¹²	2	3x5 ¹³	2.5	1	3
Advertising	38,650	.75	28,988	115,950	.75	1,449	30,437
Advertising – prepaid accounts	3	20x1 ¹⁴	60	N/A			60
Advertising – prepaid accounts Updates	3	0.2 x 5 ¹⁵	3	N/A			3
Sale, transfer, or assignment of mortgages	500	.5	250	500,000	.25	2,083	2,333
Appraiser misconduct reporting	301,150	.75	225,863	6,023,000	.375	37,644	263,507
Mortgage servicing	1,500	.75	1,125	150,000	.5	1,250	2,375
Loan originators	2,250	2	4,500	22,500	5	1,875	6,375
Closed-end credit:							
Credit disclosures	280,762	.75	210,572	112,304,800	2.25	4,211,430	4,422,002
Rescission notices	3,650	.5	1,825	5,475,000	1	91,250	93,075
Redisclosures	101,150	.5	50,575	505,750	2.25	18,966	69,541
Integrated mortgage disclosures	3,650	10	36,500	10,950,000	3.5	638,750	675,250
Variable rate mortgages	3,650	1	3,650	365,000	1.75	10,646	14,296
High cost mortgages	1,750	1	1,750	43,750	2	1,458	3,208
Higher priced mortgages	1,750	1	1,750	14,000	2	467	2,217
Reverse mortgages	3,025	.5	1,513	15,125	1	252	1,765
Advertising	205,762	.5	102,881	2,057,620	1	34,294	137,175
Private education loans	75	.5	38	30,000	1.5	750	788
Sale, transfer, or assignment of mortgages	48,850	.5	24,425	2,442,500	.25	10,177	34,602
Ability to pay/qualified mortgage	3,650	.75	2,738	0	0	0	2,738
Appraiser misconduct reporting	301,150	.75	225,863	6,023,000	.375	37,644	263,507
Mortgage servicing	3,650	1.5	5,475	730,000	2.75	33,458	38,933
Loan originators	2,250	2	4,500	22,500	5	1,875	6,375
Total open-end credit							2,089,103
Total closed-end credit							5,765,472
Total credit							7,854,575

¹ Regulation Z requires disclosures for closed-end and open-end credit. TILA and Regulation Z now cover credit up to \$58,300 plus an annual adjustment (except that real estate credit and private education loans are covered regardless of amount).

² Burden hours are on a per program basis. Individual burden hours are listed first, followed by the number of programs.

³ This figure lists the number of entities followed by the number of responses or programs each.

⁴ Burden hours are on a per program basis. Individual burden hours are listed first, followed by the number of programs.

⁵ This figure lists the number of entities followed by the number of responses or programs each.

⁶ Burden hours are on a per program basis. Individual burden hours are listed first, followed by the number of programs.

⁷ This figure lists the number of entities followed by the number of responses or programs each.

⁸ Burden hours are on a per program basis. Individual burden hours are listed first, followed by the number of programs.

⁹ This figure lists the number of entities followed by the number of responses or programs each.

¹⁰ Burden hours are on a per program basis. Individual burden hours are listed first, followed by the number of programs.

¹¹ This figure lists the number of entities followed by the number of responses or programs each.

¹² Burden hours are on a per program basis. Individual burden hours are listed first, followed by the number of programs.

¹³ This figure lists the number of entities followed by the number of responses or programs each.

¹⁴ Burden hours are on a per program basis. Individual burden hours are listed first, followed by the number of programs.

¹⁵ Burden hours are on a per program basis. Individual burden hours are listed first, followed by the number of programs.

Regulation Z: Recordkeeping and Disclosures – Cost

Required Task	-----Managerial-----		-----Skilled Technical-----		-----Clerical-----		Total Cost (\$)
	Time (hours)	Cost (\$60/hr.)	Time (hours)	Cost (\$44/hr.)	Time (hours)	Cost (\$18/hr.)	
Recordkeeping	0	\$0	56,187	\$2,472,228	505,679	\$9,102,222	\$11,574,450
Open-end credit Disclosures:							
Initial terms	8,337	\$500,220	75,030	\$3,301,220	0	\$0	\$3,301,540
Initial terms – prepaid accounts	50	\$3,000	454	\$19,776	0	\$0	\$22,976
Rescission notices	39	\$2,340	352	\$15,488	0	\$0	\$17,828
Subsequent disclosures	7,634	\$458,040	68,704	\$3,022,976	0	\$0	\$3,481,016
Subsequent disclosures – prepaid accounts	26	\$1,560	232	\$10,208	0	\$0	\$11,768
Periodic statements	125,015	\$7,500,900	1,125,138	\$49,506,072	0	\$0	\$57,006,972
Periodic statements – prepaid accounts	159	\$9,540	1436	\$63,184	0	\$0	\$72,724
Error resolution	22,822	\$1,369,320	205,401	\$9,037,644	0	\$0	\$10,406,964
Error resolution – prepaid accounts followup	90	\$5,400	807	\$35,508	0	\$0	\$40,908
Credit and charge card accounts	3,972	\$238,320	35,747	\$1,572,868	0	\$0	\$1,811,188
Credit and charge card accounts - prepaid accounts	16	\$960	140	\$6,160	0	\$0	\$7,120
Settlement of estate debts	2,084	\$125,040	18,758	\$825,352	0	\$0	\$950,392
Special credit card requirements	3,972	\$238,320	35,747	\$1,572,868	0	\$0	\$1,811,188
Home equity lines of credit	40	\$2,400	357	\$15,708	0	\$0	\$18,108
Home equity lines of credit –high cost mortgages	55	\$3,300	495	\$21,780	0	\$0	\$25,080
College student credit card marketing – ed institutions	101	\$6,060	912	\$40,128	0	\$0	\$46,188
College student credit card marketing – card issuer reports	17	\$1,020	152	\$6,688	0	\$0	\$7,708
Posting and reporting of credit card agreements	3,972	\$238,320	35,747	\$1,572,868	0	\$0	\$1,811,188
Posting and reporting of prepaid accounts	1	\$60	2	\$88	0	\$0	\$148
Advertising	3,044	\$182,640	27,393	\$1,205,292	0	\$0	\$1,388,932
Advertising – prepaid accounts	6	\$360	54	\$2,376	0	\$0	\$2,736
Advertising – prepaid accounts Updates	1	\$60	2	\$88	0	\$0	\$148
Sale, transfer, or assignment of mortgages	233	\$13,980	2,100	\$92,400	0	\$0	\$106,380
Appraiser misconduct reporting	26,351	\$1,581,060	237,156	\$10,434,864	0	\$0	\$12,015,924
Mortgage servicing	238	\$14,280	2,137	\$94,028	0	\$0	\$108,308
Loan originators	638	\$38,280	5,737	\$252,428	0	\$0	\$290,708
Total open-end credit							\$95,264,140
Closed-end credit Disclosures:							
Credit disclosures	442,200	\$26,532,000	3,979,802	\$175,111,288	0	\$0	\$201,643,208
Rescission notices	9,308	\$558,480	83,767	\$3,685,748	0	\$0	\$4,244,228
Redisclosures	6,954	\$417,240	62,587	\$2,753,828	0	\$0	\$3,171,068
Integrated mortgage disclosures	67,525	\$4,051,500	607,725	\$26,739,900	0	\$0	\$30,791,400
Variable rate mortgages	1,430	\$85,800	12,866	\$566,104	0	\$0	\$651,904
High cost mortgages	321	\$19,260	2,887	\$127,028	0	\$0	\$146,288
Higher priced mortgages	222	\$13,320	1,995	\$87,780	0	\$0	\$101,100
Reverse mortgages	177	\$10,620	1,588	\$69,872	0	\$0	\$80,492
Advertising	13,718	\$823,080	123,457	\$5,432,108	0	\$0	\$6,255,188
Private education loans	79	\$4,740	709	\$31,196	0	\$0	\$35,936

Sale, transfer, or assignment of mortgages	3,460	\$207,600	31,142	\$1,370,248	0	\$0	\$1,577,848
Ability to pay/qualified mortgage	274	\$16,440	2,464	\$108,416	0	\$0	\$124,856
Appraiser misconduct reporting	26,351	\$1,581,060	237,156	\$10,434,864	0	\$0	\$12,015,924
Mortgage servicing	3,893	\$233,580	35,040	\$1,541,760	0	\$0	\$1,775,340
Loan originators	638	\$38,280	5,737	\$252,428	0	\$0	\$290,708
Total closed-end credit							\$262,905,488
Total Disclosures							\$358,169,628
Total Recordkeeping and Disclosures							\$369,744,078

Request for Comment:

Pursuant to Section 3506(c)(2)(A) of the PRA, the FTC invites comments on: (1) whether the disclosure requirements are necessary, including whether the information will be practically useful; (2) the accuracy of our burden estimates, including whether the methodology and assumptions used are useful; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) ways to minimize the burden of providing the required information to consumers.

You can file a comment online or on paper. For the Commission to consider your comment, we must receive it on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. Write “Regs BEMZ, PRA Comments, P084812” on your comment. Your comment, including your name and your state, will be placed on the public record of this proceeding, including the <https://www.regulations.gov> website.

Because of the public health emergency in response to the COVID–19 outbreak and the agency’s heightened security screening, postal mail addressed to the Commission will be subject to delay. We strongly encourage you to submit your comment online through the <https://www.regulations.gov> website. To ensure the Commission considers your online comment, please follow the instructions on the web-based form.

If you file your comment on paper, write “Regs BEMZ, PRA Comments, P084812” on your comment and on the envelope, and mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue NW, Suite CC-5610 (Annex J), Washington, DC 20580; or deliver your comment to the following address: Federal

Trade Commission, Office of the Secretary, Constitution Center, 400 7th Street SW, 5th Floor, Suite 5610 (Annex J), Washington, DC 20024. If possible, please submit your paper comment to the Commission by courier or overnight service.

Because your comment will be placed on <https://www.regulations.gov>, you are solely responsible for making sure that your comment does not include any sensitive or confidential information. In particular, your comment should not include any sensitive personal information, such as your or anyone else's Social Security number, date of birth, driver's license number or other state identification number or foreign country equivalent, passport number, financial account number, or credit or debit card number. You are also solely responsible for making sure that your comment does not include sensitive health information, such as medical records or other individually identifiable health information. In addition, your comment should not include any "trade secret or any commercial or financial information which . . . is privileged or confidential," as provided by section 6(f) of the FTC Act, 15 U.S.C. 46(f), and FTC Rule 4.10(a)(2), 16 CFR 4.10(a)(2), including in particular, competitively sensitive information such as costs, sales statistics, inventories, formulas, patterns, devices, manufacturing processes, or customer names.

Comments containing material for which confidential treatment is requested must be filed in paper form, must be clearly labeled "Confidential," and must comply with FTC Rule 4.9(c). In particular, the written request for confidential treatment that accompanies the comment must include the factual and legal basis for the request, and must identify the specific portions of the comment to be withheld from the public record. Your comment will be kept confidential only if the FTC General Counsel grants your request in accordance with the law and the public interest. Once your comment has been posted on <https://www.regulations.gov>, we cannot redact or remove your comment from that website, unless you submit a confidentiality request that meets the requirements for such treatment under FTC Rule 4.9(c), and the General Counsel grants that request.

The FTC Act and other laws that the Commission administers permit the collection of public comments to consider and use in this proceeding as appropriate. The Commission will consider all timely and responsive public comments that it receives on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. For information on the Commission's privacy policy, including routine uses permitted by the Privacy Act, see <https://www.ftc.gov/siteinformation/privacy-policy>.

Josephine Liu,

Assistant General Counsel for Legal Counsel.

[FR Doc. 2021-10285 Filed: 5/14/2021 8:45 am; Publication Date: 5/17/2021]